MVr, MVa, MVb).

Claim 9. (amended) A method for generating a motion-compensated predictively encoded image signal, comprising:

estimating motion vectors (MVc, [MVl] MV*l*, MVr, MVa, MVb) relating to first objects (16*16); and

generating prediction errors relating to every occurrence of second objects (8*8), said second objects (8*8) being smaller than said first objects (16*16), wherein said prediction errors depend on motion vectors for said second objects (8*8).

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The specification and claims have both been amended to overcome the corresponding objections. This included changing "MVl" to "MV*l*" where appropriate in the specification, Abstract and claims, as requested by the Examiner.

Further, claim 6 was amended to recite "means for generating an output signal in dependence on said prediction errors and said first motion vectors". This amendment was necessary in order to conform claim 6 to the rest of the claims and the specification.

Claim 9 stands rejected under 35 USC 101 as directed to non-statutory subject matter. In making this rejection, it is stated that claim 9 recites a signal that is mere data which is non-functional descriptive material and is

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therefore non-statutory subject matter.

In response, claim 9 has been amended to recite a method for generating a signal. Therefore, it is respectfully submitted that claim 9 now recites statutory subject matter.

Claims 1-7 and 9 stand rejected under 35 USC 102 as being anticipated by the "ITU-T Draft H.263". Claim 8 stands rejected under 35 USC 103 as being obvious over the "ITU-T Draft H.263" in view of Hinman. Based on the following, these rejections are respectfully traversed.

In order to clarify the presently claimed invention, claims 1, 3-4, 6 and 9 have been amended to recite "means/step for filtering every occurrence of said first motion vectors to obtain second motion vectors".

In addressing the above feature, the discussion of "ITU-T Draft H.263" in the priority application EPO 97402763.3 is being relied on. However, in the first paragraph of section 3, EPO 97402763.3 discloses an optional Advance Prediction Mode of H.263 that includes overlapped block motion compensation and the possibility of four motion vectors per macroblock." Further, in the first paragraph of page 6, EPO 97402763.3 further discloses that the one or four vector decision is indicated by the "MCBPC" codeword for each macroblock.

Based on the above disclosure, it is evident that the "ITU-T Draft H.263" does not disclose "means/step for filtering <u>every occurrence</u> of said first motion vectors to obtain second motion vectors", as now required by the claims. Therefore, it is respectfully submitted that this feature is distinguishable over the "ITU-T Draft H.263".

In view of the above-described distinctions, it is respectfully submitted that the invention of claims 1-9 is neither anticipated nor made obvious by the "ITU-T Draft H.263" alone or in combination with Hinman. Therefore, it is respectfully requested that the above rejection be reconsidered and withdrawn so that the present application may proceed to issue.

The Commissioner is hereby authorized to credit any overpayment or charge any fee (except the issue fee) to Account No. 14-1270.

Respectfully submitted,

By _____
Russell Gross, Reg. 40,007
Attorney
(914) 333-9631
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